

CONFIDENTIAL



THE MINISTER OF STATE  
Hamish Gray Esq MP

*Econ Policy*  
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*Ref 2621*  
Nigel Lawson Esq MP  
Financial Secretary to the  
Treasury  
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5 September 1979

*New Financial Secretary,*

NCB INTEREST IN J H SANKEY AND SON LIMITED

David Howell has seen your Private Secretary's letter of 28 August on this subject. He has asked me to write to you. *As requested*

Your presumption that David took account of assets like Sankey in writing his letter of 4 July is correct. Sankey is one of a number of NCB subsidiary companies, whose future needs to be considered in the context of Government policy towards, and relations with, the coal industry generally. The financial implications, in which you have a particular interest, are only one of the considerations involved. David will be bringing forward proposals for appropriate further disposals to his colleagues in E(DL) at the time and in the way he judges best, taking account of any decisions on timetables which colleagues have agreed.

Incidentally I was interested to see that, at the meeting with the nationalised industry chairmen on 23 July, the Chancellor is recorded as having told the chairmen that the criterion in looking at proposals by the industries for joint ventures would be the contribution they might make to commercial vitality. I am sure you will agree that this criterion can be as relevant to the disposal of existing subsidiaries as to the acquisition of new ones.

I am having this letter copied to No 10 and to the Department of Industry

*Yours sincerely,*

*MA Stewart*

(Approved by the Minister of State and signed in his absence)



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Mr Mike Pattison  
(No 10)

With the Compliments of  
the Private Secretary to the  
Minister of State for Energy

Gordon Lusk

c. Mr Peter Mason  
(NS/ SofS Industry)